

Message Text

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C O N F I D E N T I A L STATE 056588

E.O. 11652: ADS, DECLAS 3/15/77 NOON

TAGS: PFOR, PN

SUBJECT: CANAL EMPLOYEE ASSURANCES

FOR THE AMBASSADOR.

THE FOLLOWING STATEMENT OF EMPLOYEE ASSURANCES HAS BEEN
APPROVED BY THE NEGOTIATORS FOR RELEASE BY GOVERNOR PARFITT
TO THE MANAGEMENT AND EMPLOYEES OF THE CANAL ZONE GOVERN-
MENT AND PANAMA CANAL COMPANY.

BEGIN QUOTE. THE ATTACHED LIST OF ASSURANCES FOR PRESENT
UNITED STATES CITIZEN AND NON-UNITED STATES CITIZEN
EMPLOYEES OF THE PANAMA CANAL COMPANY/CANAL ZONE GOVERNMENT
ARE DERIVED FROM THE UNITED STATES NEGOTIATING POSITION.
THEY REPRESENT ASSURANCES ON FUNDAMENTAL ITEMS OF PARTICU-
LAR INTEREST TO CANAL EMPLOYEES WHICH WE ANTICIPATE WOULD,
AS A MINIMUM, BE PROVIDED IN THE CONTEXT OF ANY NEW TREATY
RELATIONSHIP. OBVIOUSLY, ALL TREATY PROVISIONS ARE SUBJECT
TO NEGOTIATION, THE RATIFICATION PROCESS, AND SUCH CON-
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GRESSIONAL IMPLEMENTING LEGISLATION AS MAY BE APPROPRIATE.

NO FORMAL, COMPREHENSIVE AGREEMENT HAS BEEN REACHED BETWEEN
THE UNITED STATES GOVERNMENT AND THE REPUBLIC OF PANAMA
REGARDING THIS ISSUE, OR ANY OTHER.

THESE ASSURANCES ARE NOT INTENDED TO BE FINAL OR ALL

INCLUSIVE. WE ARE CONTINUING TO EXAMINE OTHER AREAS OF CONCERN. THESE ASSURANCES SHOULD, HOWEVER, PROVIDE EMPLOYEES WITH A GENERAL UNDERSTANDING OF THE MINIMUM LEVEL OF BENEFITS AND PROTECTIONS BEING SOUGHT.

ASSURANCES FOR PRESENT EMPLOYEES OF THE PANAMA CANAL COMPANY/CANAL ZONE GOVERNMENT UNDER A NEW PANAMA CANAL TREATY.

1. NON-U.S. CITIZEN EMPLOYEES AUTOMATICALLY WILL BE COVERED UNDER THE PANAMA SOCIAL SECURITY SYSTEM, EXCEPT THAT THOSE WITH FIVE OR MORE YEARS OF UNITED STATES GOVERNMENT SERVICE AS OF THE EFFECTIVE DATE OF THE NEW TREATY WILL HAVE THE OPTION TO RETAIN U.S. CIVIL SERVICE RETIREMENT COVERAGE IN LIEU OF TRANSFER TO PANAMA SOCIAL SECURITY COVERAGE.

2. TO THE EXTENT CONSISTENT WITH SOUND MANAGEMENT, THE TERMS AND CONDITIONS FOR THE EMPLOYMENT OF NON-U.S. CITIZEN PERSONNEL WILL, AS A MATTER OF POLICY, CONFORM WITH THE GENERAL PRINCIPLES CONTAINED IN THE LABOR LAWS OF THE REPUBLIC OF PANAMA.

3. RECOMMENDATIONS IF APPROPRIATE WILL BE MADE TO THE OFFICE OF MANAGEMENT AND BUDGET FOR LEGISLATIVE ACTION FOUND NECESSARY TO PREVENT AN EROSION OF THE GENERAL LEVEL OF EMPLOYEE BENEFITS AND CONDITIONS OF EMPLOYMENT UNDER ANY NEW TREATY.

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4. SCHOOLING AND MEDICAL CARE PROVIDED BY THE U.S. GOVERNMENT WILL CONTINUE TO BE AVAILABLE FOR U.S. CITIZEN EMPLOYEES AND THEIR DEPENDENTS.

5. U.S. CITIZEN EMPLOYEES AND THEIR DEPENDENTS WILL CONTINUE TO ENJOY DUTY-FREE IMPORT AND PURCHASING PRIVILEGES CONCERNING ITEMS FOR PRIVATE USE. THEY WILL ALSO BE AUTHORIZED USE OF MILITARY SERVICE FACILITIES.

6. U.S. CITIZEN EMPLOYEES AND THEIR DEPENDENTS WILL BE EXEMPTED FROM PANAMANIAN TAX ON ANY INCOME DERIVED FROM

A. THE CANAL OPERATION OR OTHER U.S. GOVERNMENT AGENCIES, AND

B. SOURCES OUTSIDE THE REPUBLIC OF PANAMA.

7. PANAMANIAN CITIZENS WILL BE EMPLOYED IN INCREASING NUMBERS AT ALL LEVELS OF THE MANAGEMENT AND OPERATION OF

THE CANAL.

8. INCREASED PANAMANIAN EMPLOYMENT IN THE OPERATION OF THE CANAL WILL NOT BE USED TO DISPLACE CURRENT U.S. CITIZEN CANAL EMPLOYEES.

9. CIVIL SERVICE COMMISSION APPROVAL WILL BE SOUGHT TO PROVIDE ANY PRESENT U.S. CITIZEN EMPLOYEE REQUESTING SUCH ASSISTANCE WITH PRIORITY PLACEMENT CONSIDERATION FOR APPROPRIATE VACANCIES IN FEDERAL GOVERNMENT AGENCIES.

10. THE GOVERNMENT OF THE UNITED STATES WILL ASK THAT SPECIAL PLACEMENT ASSISTANCE BE OFFERED BY THE REPUBLIC OF PANAMA TO ANY NON-U.S. CITIZEN EMPLOYEE WHO MAY BE DISPLACED BY REASON OF THE TREATY.

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11. ALL ELIGIBLE EMPLOYEES ARE GUARANTEED BY CURRENT REGULATION REDUCTION-IN-FORCE AND REASSIGNMENT RIGHTS, TRANSFER OF FUNCTION RIGHTS, AND DISCONTINUED SERVICE RETIREMENT FOLLOWING INVOLUNTARY SEPARATION. IN ADDITION, THE CIVIL SERVICE COMMISSION WILL BE REQUESTED TO GRANT APPROVAL OF AND/OR WAIVERS FOR "EARLY OPTIONAL RETIREMENT" OR LIBERALIZED SEVERENCE PAY COVERAGE FOR EMPLOYEES OF CANAL ENTERPRISE ACTIVITIES WHICH ARE SCHEDULED FOR ELIMINATION, REDUCTION OR TRANSFER. EMPLOYEES WHOSE WORKING CONDITIONS ARE SO ADVERSELY AFFECTED BY THE TREATY THAT SPECIAL CONSIDERATION IS APPROPRIATE MAY ALSO BE INCLUDED IN THIS COMMISSION REQUEST.

12. THE CANAL MANAGEMENT WILL CONDUCT ITS RELATIONS WITH RECOGNIZED EMPLOYEE UNIONS REPRESENTING CANAL EMPLOYEES IN ACCORDANCE WITH EXECUTIVE ORDER 11491, AS AMENDED, AND/OR OTHER MUTUALLY ACCEPTABLE FORM OF COLLECTIVE BARGAINING.

13. IN CONNECTION WITH OFFENSES ARISING FROM ACTS OR OMISSIONS PUNISHABLE UNDER THE LAWS OF THE REPUBLIC OF PANAMA, U.S. CITIZEN EMPLOYEES AND THEIR DEPENDENTS WILL BE ENTITLED TO SPECIFIC PROCEDURAL GUARANTEES, SUCH AS PROMPT AND SPEEDY TRIAL, SPECIFIC CHARGES, CROSS-EXAMINATION OF WITNESSES AND LEGAL REPRESENTATION OF CHOICE.

14. U.S. CITIZEN EMPLOYEES AND DEPENDENTS WHO MAY BE CONSIDERED TO BE DUAL NATIONALS WILL HAVE THE SAME STATUS UNDER THE NEW TREATY AS THOSE OF EXCLUSIVE U.S. CITIZENSHIP.

15. U.S. CITIZEN EMPLOYEES WILL CONTINUE TO BE PROVIDED

WITH ADEQUATE HOUSING AT A REASONABLE COST. RESIDENTIAL
AREAS WILL BE MANAGED IN SUCH A MANNER AS TO MAINTAIN A

MIX OF U.S. AND PANAMANIAN RESIDENTS. END QUOTE.

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WE UNDERSTAND THAT THE GOVERNOR WILL RELEASE THE ABOVE
STATEMENT ON MARCH 15 AT A MEETING WITH COMPANY MANAGEMENT
AT 8:30 A.M. AND AT A MEETING WITH THE CIVIC COUNCILS AND

LABOR UNIONS AT 10:00 A.M.
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Message Attributes

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